



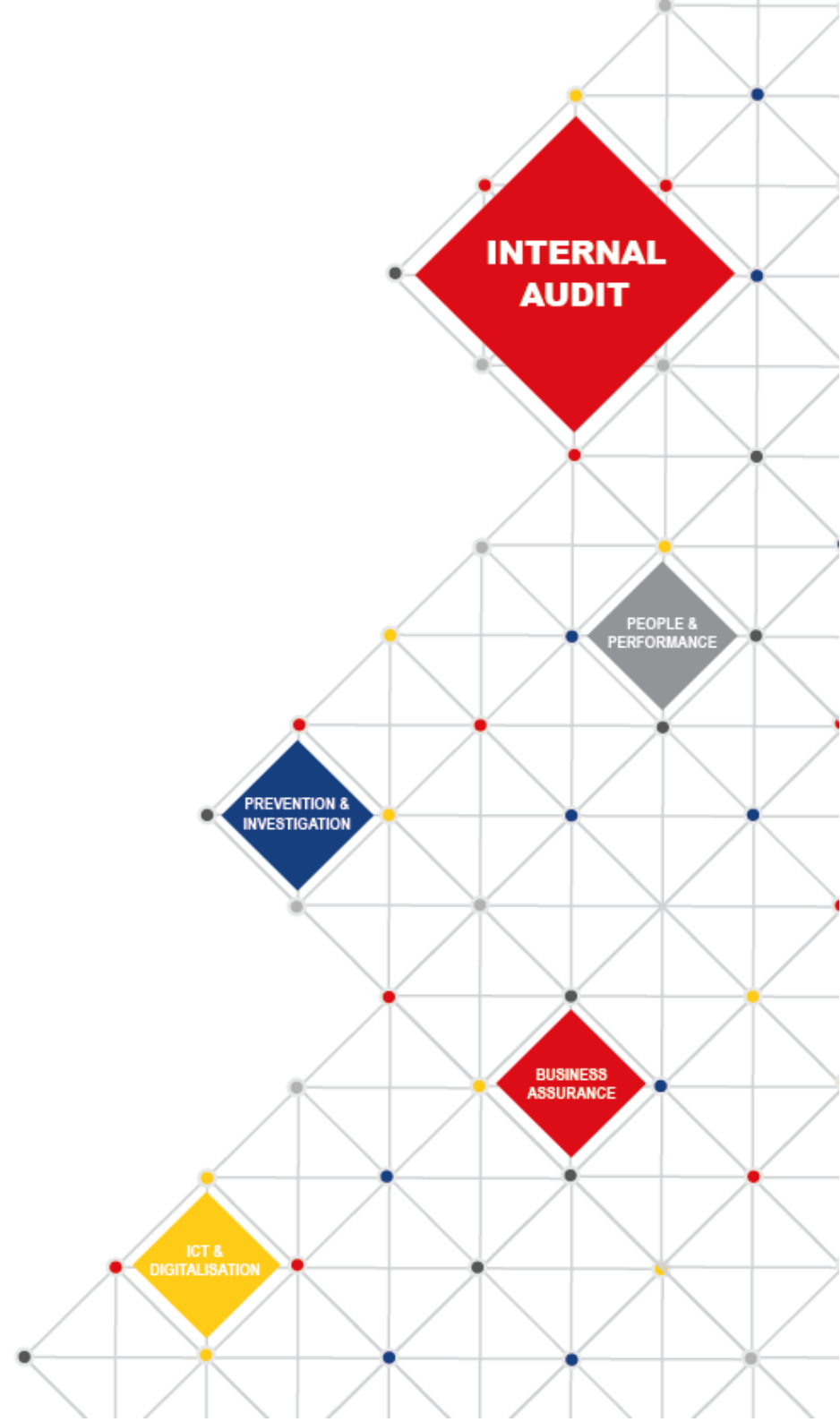
Chiltern District Council

Internal Audit Annual Report

2019/20

FINAL

2019/20



Internal Audit Annual Report

INTRODUCTION

This is the 2019/20 Annual Report by TIAA on the internal control environment at Chiltern District Council. The annual internal audit report summarises the outcomes of the reviews we have carried out on the organisation's framework of governance, risk management and control. This report is designed to assist the Council in making its annual governance statement.

HEAD OF INTERNAL AUDIT'S ANNUAL OPINION

I am satisfied that sufficient internal audit work has been undertaken to allow me to draw a positive conclusion as to the adequacy and effectiveness of Chiltern District Council's risk management, control and governance processes. In my opinion, Chiltern District Council has adequate and effective management, control and governance processes in place to manage the achievement of their objectives.

INTERNAL AUDIT PLANNED COVERAGE AND OUTPUT

The 2019/20 Annual Audit Plan approved by the Audit and Standards Committee was for 330 days of internal audit coverage in the year (to include Chiltern District Council). During the year there were several changes to the Audit Plan and these changes were approved by the Audit and Standards Committee.

The majority of the planned work has been carried out and the reports have been issued (Annex A).

ASSURANCE

TIAA carried out or are in the process of carrying out and finalised some 19 reviews, which were designed to ascertain the extent to which the internal controls in the system are adequate to ensure that activities and procedures are operating to achieve the Council's objectives. For each assurance review an assessment of the combined effectiveness of the controls in mitigating the key control risks was provided. Details of these are provided in Annex A and a summary is set out below.

Assurance Assessments	Number of Reviews	Previous Year
Substantial Assurance	10	13
Reasonable Assurance	9	1
Limited Assurance	-	-
No Assurance	-	-

The areas on which the assurance assessments have been provided can only provide reasonable and not absolute assurance against misstatement or loss and their effectiveness is reduced if the internal audit recommendations made during the year have not been fully implemented.

We made the following total number of recommendations on our finalised and draft audit work carried out in 2019/20.

Urgent	Important	Routine
-	12	24

AUDIT SUMMARY

Control weaknesses: There were no areas reviewed by internal audit where it was assessed that the effectiveness of some of the internal control arrangements provided 'limited' or 'no assurance'.

Recommendations Made: We have analysed our findings/recommendations by risk area and these are summarised below.

Risk Area	Urgent	Important	Routine
Directed	-	-	7
Compliance	-	8	22
Operational	-	4	-
Reputational	-	-	-

Operational Effectiveness Opportunities: One of the roles of internal audit is to add value and during the financial year we provided advice on opportunities to enhance the operational effectiveness of the areas reviewed and the number of these opportunities is summarised below.

Operational
5

INDEPENDENCE AND OBJECTIVITY OF INTERNAL AUDIT

There were no limitations or restrictions placed on the internal audit service which impaired either the independence or objectivity of the service provided.

PERFORMANCE AND QUALITY ASSURANCE

The following Performance Targets were used to measure the performance of internal audit in delivering the Annual Plan.

Performance Measure	Target	Attained
Completion of Planned Audits (inc. drafts)	100%	86%
Audits Completed in Time Allocation	100%	100%
Final report issued within 10 working days of receipt of responses	95%	100%
Compliance with Public Sector Internal Audit Standards	100%	100%

Ongoing quality assurance work was carried out throughout the year and we continue to comply with ISO 9001:2015 standards. An independent external review was carried out of our compliance of the Public Sector Internal Audit Standards (PSIAS) in 2017 and in particular to meet the requirement of an independent five year review, the outcome confirmed full compliance with all the standards. Our work also complies with the IIA-UK Professional Standards.

RELEASE OF REPORT

The table below sets out the history of this Annual Report.

Date Report issued:	20 February 2020
---------------------	------------------

Annexes

Annex A

Actual against planned Internal Audit Work 2019/20

System	Type	Planned Days	Actual Days	Assurance Assessment	Comments
Governance	Assurance	0(8)	0		Cancelled
Complaints and Compliments	Assurance	6	6	Reasonable	Final
Performance Management/Efficient Working	Assurance	8	8	Substantial	Final
Contracts - Novation	Assurance	9	9		In progress
Information Governance/Data Quality	Assurance	8	8	Reasonable	Final
Subject Access Requests	Assurance	8	8	Reasonable	Final
Emergency Planning	Assurance	8	8	Substantial	Final
Health and Safety – Internal Arrangements	Assurance	7	7		In progress
Purchase Cards	Assurance	8	8	Substantial	Final
Expenses	Assurance	8	8	Reasonable	Final
Main Accounting	Assurance	7	7	Substantial	Final
Payroll	Assurance	11	11	Substantial	Draft
Accounts Receivable (Debtors)	Assurance	8	8	Substantial	Final
Accounts Payable (Creditors)	Assurance	8	8	Substantial	Final
Benefits and Council Tax Support	Assurance	13	13	Substantial	Final
Council Tax and NDR	Assurance	25	25	Substantial	Final
Cash and Bank	Assurance	7	7	Substantial	Draft
Treasury Management	Assurance	7	7	Substantial	Draft
ICT – Annual Network Audit	Assurance	6	6	Reasonable	Final

ICT – Network Infrastructure	Assurance	6	6	Reasonable	Final
ICT – Information Management	Assurance	6	6	Reasonable	Final
Housing Allocations and Homelessness/Temp Accommodation	Assurance	8	8		In progress
Disabilities Facilities Grant	Assurance	5	5	Substantial	Final
Leisure Contract	Assurance	8	8	Substantial	Draft
Waste services (Chiltern, Wycombe and South Bucks)	Assurance	11	11		In progress
Car Parking	Assurance	7	7	Substantial	Final
Commercial Rents/debt recovery	Assurance	8	8	Reasonable	Draft
Equalities	Assurance	0(8)	0		Cancelled
Contractor Health & Safety audit	Assurance	8	8	Reasonable	Final
Risk Management Assistance	Assurance	15	15	No opinion given	
<u>Crematorium</u>	Assurance				
Annual Internal Audit	Assurance	6	6	Reasonable	Final
Additional Audit		0(6)	0		Cancelled